



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

(A-570-992)

Monosodium Glutamate from the People's Republic of China: Final Determination of Sales at Less Than Fair Value and the Final Affirmative Determination of Critical Circumstances

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

EFFECTIVE DATE: (Insert date of publication in the *Federal Register*.)

SUMMARY: The Department of Commerce (the Department) determines that monosodium glutamate (MSG) from the People's Republic of China (PRC) is being, or is likely to be, sold in the United States at less than fair value (LTFV), as provided in section 735 of the Tariff Act of 1930, as amended (the Act). The final weighted-average dumping margins for this investigation are listed in the "Final Determination Margins" section below.

FOR FURTHER INFORMATION CONTACT: Milton Koch or Jun Jack Zhao, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2584 or (202) 482-1396, respectively.

SUPPLEMENTARY INFORMATION:

Background

The Department published the preliminary determination in the LTFV investigation of MSG from the PRC on May 8, 2014.<sup>1</sup> The following events occurred since the preliminary determination. The Department published the amended preliminary determination on June 13,

---

<sup>1</sup> See *Monosodium Glutamate From the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value, Preliminary Affirmative Determination of Critical Circumstances, and Postponement of Final Determination*, 79 FR 26408 (May 8, 2014) (*Preliminary Determination*).

2014.<sup>2</sup> Between June 16, 2014 and June 24, 2014, the Department conducted verification of the mandatory respondent, the Meihua Group.<sup>3</sup> On July 21, 2014, Petitioner filed scope comments. On July 31, 2014 and August 7, 2014, both the Meihua Group and Petitioner filed case briefs and rebuttal briefs respectively.

#### Period of Investigation

The period of investigation is January 1, 2013, through June 30, 2013. This period corresponds to the two most recent fiscal quarters prior to the month of the filing of the petition, which was September 2013.<sup>4</sup>

#### Scope of the Investigation

The product covered by this investigation is MSG, whether or not blended or in solution with other products. Specifically, MSG that has been blended or is in solution with other product(s) is included in this scope when the resulting mix contains 15 percent or more of MSG by dry weight.<sup>5</sup>

#### Changes to the Scope of the Investigation

As detailed in the accompanying Issues and Decision Memorandum,<sup>6</sup> we clarified the scope language with respect to the written descriptions of anhydrous and monohydrous forms of

---

<sup>2</sup> See *Monosodium Glutamate From the People's Republic of China: Amended Preliminary Determination of Sales at Less Than Fair Value of the Antidumping Duty Investigation*, 79 FR 33907 (June 13, 2014) (*Amended Preliminary Determination*).

<sup>3</sup> Langfang Meihua Bio-Technology Co., Ltd., Tongliao Meihua Biological SCI-TECH Co., Ltd., Meihua Group International Trading (Hong Kong) Limited, Meihua Holdings Group Co., Ltd, and Meihua Holdings Group Co., Ltd, Bazhou Branch (collectively, Meihua, or the Meihua Group); see “Verification” section below.

<sup>4</sup> 19 CFR 351.204(b)(1).

<sup>5</sup> See Appendix I.

<sup>6</sup> See Memorandum to Paul Piquado, Assistant Secretary for Enforcement and Compliance, “Monosodium Glutamate from the People’s Republic of China: Issues and Decision Memorandum for the Final Determination of Sales at Less Than Fair Value,” dated concurrently with this notice (Issues and Decision Memorandum).

MSG and their chemical formula references.<sup>7</sup> The revised scope of the investigation for this final determination is detailed in Appendix I, below.

#### Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this investigation are addressed in the Issues and Decision Memorandum. A list of the issues which the parties raised and to which the Department responded in the Issues and Decision Memorandum is attached to this notice as Appendix II. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS). IA ACCESS is available to registered users at <http://iaaccess.trade.gov> and it is available to all parties in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

#### Changes since the Preliminary Determination

Based on the Department's analysis of the comments received and our findings at verification, we made certain changes to the margin calculations. For a discussion of these changes, *see* the Issues and Decision Memorandum and the Final Analysis Memorandum.<sup>8</sup>

---

<sup>7</sup> See the Issues and Decision Memorandum at the section, "Scope of the Investigation."

<sup>8</sup> See Memorandum from Milton Koch, International Trade Compliance Analyst, AD/CVD Operations, Office VII, to the File, "Antidumping Duty Investigation of Monosodium Glutamate from the People's Republic of China: Meihua Analysis Memorandum for the Final Determination," dated concurrently with this notice (Final Analysis Memorandum).

### Verification

As provided in section 782(i) of the Act and 19 CFR 351.307(b)(1)(i), in June 2014, the Department verified the information submitted by the Meihua Group for use in the final determination. The Department used standard verification procedures, including examination of relevant accounting and production records and original source documents provided by the Meihua Group.

### Final Determination Margins

The Department determines that the following weighted-average dumping margins exist for the period January 1, 2013, through June 30, 2013.

| <b>Exporter</b>   | <b>Producer</b>   | <b>Weighted-Average Dumping Margin</b> |
|---|---|--|
| Langfang Meihua Bio-Technology Co., Ltd./Meihua Group International Trading (Hong Kong) Limited | Tongliao Meihua Biological SCI-TECH Co., Ltd./ Meihua Holdings Group Co., Ltd., Bazhou Branch | 8.30 percent                           |
| Fujian Province Jianyang Wuyi MSG Co., Ltd.   | Fujian Province Jianyang Wuyi MSG Co., Ltd.   | 8.30 percent                           |
| Neimenggu Fufeng Biotechnologies Co., Ltd.  | Neimenggu Fufeng Biotechnologies Co., Ltd.  | 8.30 percent                           |
| Baoji Fufeng Biotechnologies Co., Ltd.  | Baoji Fufeng Biotechnologies Co., Ltd.  | 8.30 percent                           |
| PRC-wide Entity   |   | 8.32 percent                           |

The PRC-wide entity includes Shandong Linghua Monosodium Glutamate Incorporated Company (Shandong Linghua), a mandatory respondent in this investigation.<sup>9</sup> Shandong Linghua withheld necessary information within the meaning of section 776(a) of the Act, and failed to act to the best of its ability to comply with the Department's requests for information within the meaning of section 776(b) of the Act. Therefore, we applied adverse facts available,

---

<sup>9</sup> See *Preliminary Determination*, and accompanying Preliminary Decision Memorandum at 10.

determining that Shandong Linghua was a part of the PRC-wide entity. *See* Issues and Decision Memorandum for further discussion.

#### Disclosure

We intend to disclose to parties the calculations performed in this proceeding within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

#### Final Affirmative Determination of Critical Circumstances

No parties made any comments on and we made no changes to our critical circumstances analysis announced in the *Preliminary Determination*, which is hereby adopted by this notice.

Thus, pursuant to 735(a)(3) of the Act, we continue to find that critical circumstances exist with respect to imports of MSG from the PRC from the Meihua Group, the separate rate companies, and the companies covered by the PRC-wide rate.

#### Continuation of Suspension of Liquidation

As noted above, the Department reached an affirmative critical circumstances determination at both the *Preliminary Determination* and this final determination with respect to imports of MSG from the Meihua Group, the separate rate companies, and the PRC-wide entity. Therefore, in accordance with section 735(c)(4)(A) of the Act, we will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of entries of MSG from the PRC from the Meihua Group, the separate rate companies, and the PRC-wide entity that were entered, or withdrawn from warehouse, for consumption on or after February 7, 2014, the date which is 90 days prior to publication of the *Preliminary Determination*. Further, the Department will instruct CBP to require a cash deposit equal to the weighted-average amount by which the normal value exceeds U.S. price as follows: (1) For the exporter/producer combination listed in the table above, the cash deposit rate will be equal to the dumping margin which the Department

determined in this final determination; (2) for all combinations of PRC exporters/producers of merchandise under consideration which have not received their own separate rate above, the cash deposit rate will be equal to the dumping margin established for the PRC-wide entity; and (3) for all non-PRC exporters of merchandise under consideration which have not received their own separate rate above, the cash deposit rate will be equal to the cash deposit rate applicable to the PRC exporter/producer combination that supplied that non-PRC exporter. These suspension-of-liquidation instructions will remain in effect until further notice.

#### ITC Notification

In accordance with section 735(d) of the Act, we notified the International Trade Commission (ITC) of the final affirmative determination of sales at LTFV. As the Department's final determination is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will determine, within 45 days, whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of subject merchandise, or sales (or the likelihood of sales) for importation, of the subject merchandise. If the ITC determines that such injury does not exist, this proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing CBP to assess, upon further instruction by the Department, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

#### Return or Destruction of Proprietary Information

This notice also serves as a reminder to the parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely written notification of return or

destruction of APO materials or conversion to judicial protective order is hereby requested.

Failure to comply with the regulations and terms of an APO is a sanctionable violation.

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

---

Paul Piquado  
Assistant Secretary  
for Enforcement and Compliance

September 22, 2014  
Date

## **Appendix I**

### **Scope of the Investigation**

The scope of this investigation covers monosodium glutamate (MSG), whether or not blended or in solution with other products. Specifically, MSG that has been blended or is in solution with other product(s) is included in this scope when the resulting mix contains 15% or more of MSG by dry weight. Products with which MSG may be blended include, but are not limited to, salts, sugars, starches, maltodextrins, and various seasonings. Further, MSG is included in this investigation regardless of physical form (including, but not limited to, in monohydrate or anhydrous form, or as substrates, solutions, dry powders of any particle size, or unfinished forms such as MSG slurry), end-use application, or packaging.

MSG in monohydrate form has a molecular formula of  $C_5H_8NO_4Na \cdot H_2O$ , a Chemical Abstract Service (CAS) registry number of 6106-04-3, and a Unique Ingredient Identifier (UNII) number of W81N5U6R6U. MSG in anhydrous form has a molecular formula of  $C_5H_7NO_4Na$ , a CAS registry number of 142-47-2, and a UNII number of C3C196L9FG.

Merchandise covered by the scope of this investigation is currently classified in the Harmonized Tariff Schedule (HTS) of the United States at subheading 2922.42.10.00. Merchandise subject to the investigation may also enter under HTS subheadings 2922.42.50.00, 2103.90.72.00, 2103.90.74.00, 2103.90.78.00, 2103.90.80.00, and 2103.90.90.91. The tariff classifications, CAS registry numbers, and UNII numbers are provided for convenience and customs purposes; however, the written description of the scope is dispositive.



## **Appendix II**

### **List of Topics Discussed in the Issues and Decision Memorandum**

- I. Summary
- II. Background
- III. Scope of the Investigation
- IV. Use of Adverse Facts Available
- V. Margin Calculations
- VI. Discussion of the Issues
  - 1. The Department's Inland Freight Calculation
  - 2. Letter of Credit Costs from the Brokerage and Handling Surrogate Value
  - 3. Meihua's Steam and Other Energy Inputs
  - 4. The Department's Co-Product Allocation
  - 5. Meihua's Sulfuric Acid and Sulfur Dioxide Inputs
  - 6. Meihua's Organic Bacterial Protein (OBP) By-Product Valuation
  - 7. Whether to Allow Offsets when Aggregating the A-A and A-T Margins for the Department's Mixed Methodology to Calculate Meihua's Margin
  - 8. Meihua's Reported Tape Distance
  - 9. The Valuation of Wind Power
  - 10. The Valuation of Water
  - 11. Limiting A By-Product Offset
  - 12. Meihua's Irrecoverable Value Added Taxes
  - 13. Meihua's Weighted-Average Factors of Production
  - 14. Whether the Department Should Use Indonesian Import Statistics To Value Lignite Coal
  - 15. Whether the Department Should Use Domestic Prices in Indonesia to Value Corn
  - 16. The Valuation of High Protein Scrap
- VII. Recommendation